

Two Subpoenaed by Grand Jury In Southwest Bell Funds Case

1/28/75

By Tom Curtis.

Special to The Washington Post

SAN ANTONIO, Jan. 27—A federal grand jury here has subpoenaed at least two persons who have charged that Southwestern Bell Telephone Co. maintained illegal political slush funds and juggled figures to win excessive telephone rate increases.

U.S. Attorney Hugh Shovlin confirmed today that the grand jury has subpoenaed "several" witnesses involved in the tangled charges against the company, the third most profitable in the Bell system with 1973 revenues of \$2.3 billion. Shovlin declined to say how many persons were subpoenaed, who they were, or what the grand jury wanted to know from them.

However, James H. Ashley, 45, fired Oct. 31 as general commercial manager for the company here, today confirmed that he was subpoenaed to appear Tuesday before the grand jury.

His attorney, Pat Maloney, said he assumes that the grand jury will ask his client about the charges he has made against his former employer, which Ashley and others are suing for \$29.2 million in state district court.

Roy Minton of Austin, attorney for former Bell Austin division manager Bill Holman, also confirmed that Holman has been asked to appear Tuesday. Holman is now on "special assignment" as super-

visor of a smaller district including Victoria, Tex.

Holman charged in a conversation tape-recorded by Ashley that is now part of court records here that he made contributions for the company to city council candidates in Austin, sought excessive rate increases there, and gave business contracts to council candidates in hopes of buying their support for proposed local rate increases.

City councilmen in San Antonio, Austin, Fort Worth, and Dallas recently have acknowledged receiving business contracts or campaign contributions from Bell officials. They have said the business contracts did not influence them and that they considered the campaign contributions to be

personal, not corporate. However, a councilman has resigned in Austin where the city charter forbids councilmen to do business with the holder of a city franchise.

Texas has no public utilities commission. Cities individually act on rate increase requests.

Ashley and the widow and sons of T. O. Gravitt, former head of Texas operations for Southwestern Bell, filed the \$29.2 million civil suit here Nov. 15, charging that an intensive company investigation of both officials was launched because the company believed they were going to expose the alleged practices. The suit also charged that the investigation and alleged harassment led to the mid-October suicide of Gravitt.